

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2005-98-C – ORDER NO. 2007-237

APRIL 5, 2007

IN RE: Application of Matrix Telecom, Inc. for a)	ORDER APPROVING
Certificate of Public Convenience and)	EXPANSION OF
Necessity to Resell Local Exchange)	AUTHORITY
Telecommunications Services within the)	
State of South Carolina)	

This matter comes before the Public Service Commission of South Carolina (Commission) on the Application of Matrix Telecom, Inc. d/b/a Matrix Business Technologies (“Matrix” or “the Company”) requesting approval to expand its existing authority under its Certificate of Public Convenience and Necessity to include the provision of facilities-based local exchange and exchange access telecommunications services in areas served by non-rural incumbent local exchange carriers in the State of South Carolina, specifically in BellSouth Telecommunications, Inc. (“BellSouth”) territory. Matrix further requests flexible regulation for its local exchange telecommunications services as the Commission first granted in Order No. 98-165 in Docket No. 97-467-C. On February 12, 2007, we published Order No. 2007-88, extending the authority of the hearing examiner over this filing.

Pursuant to the instructions of the Commission’s Docketing Department, the Company published a Notice of Filing and Hearing in newspapers of general circulation in the Company’s service areas. The Company furnished affidavits showing that it had

complied with the instructions of the Docketing Department. No Petitions to Intervene or Protests were filed.

Accordingly, Matrix filed a Motion for Expedited Review of the matter and noted that the Office of Regulatory Staff (“ORS”) does not oppose the Application and has consented to the Motion. Further, the Company filed the verified testimony of Dana Hoyle, Manager of Regulatory Affairs of Matrix, which discusses the Company’s plans to operate as a facilities-based provider. Matrix further requests that we approve the Application without holding the hearing presently scheduled for April 16, 2007. We grant the Motion for Expedited Review and approve the Application without the hearing, based on the written verified representations of Ms. Hoyle.

According to Ms. Hoyle, Matrix was formed on June 13, 1990 to operate as a long distance reseller. On December 19, 1990, in Docket No. 90-517-C, Matrix was granted authority in South Carolina as a reseller of telecommunications services in Order No. 90-1176, which was modified by Order No. 1994-947. From that time until 2005, Matrix operated mainly as a reseller of interexchange services. In 2005, Matrix obtained authority from this Commission to operate as a competitive local exchange telecommunications carrier. See Order No. 2005-449. Additionally, in that same Docket, Matrix obtained approval for the purchase of a local customer base from Global Crossing. That transaction was effected on January 1, 2006. This transaction resulted in Matrix’s market entry into the provision of local services.

Ms. Hoyle further testified that the Company has the managerial and financial wherewithal to provide the additional contemplated services in South Carolina. The

Company intends to operate as a facilities-based provider by leasing the network from the incumbent local exchange carrier. Although the Company is already certificated to provide local exchange services in South Carolina, Ms. Hoyle testified that Matrix seeks to clarify that it intends to offer local services on a facilities-based basis in addition to providing services on a resold basis. The Company intends to offer a full array of local exchange services to customers in local exchanges in the State of South Carolina presently served by BellSouth. Examples of these services are “plain old telephone service,” switched access service, PBX Trunking, Direct Inward Dial, and Private Line.

Ms. Hoyle states that Matrix is committed over the next 24 to 48 months to developing a profitable business providing telecommunications services to consumers in South Carolina. After that time, it is anticipated that Matrix will have the customer and revenue base to allow it to expand further into the State. Matrix’s target market is small to medium business customers.

Granting the Application is in the public interest, according to Ms. Hoyle, because it will enhance competition, thereby generating various benefits, including, but not limited to, customer choice.

The Company has also requested regulation under “flexible regulation” as per Order No. 98-165 in Docket No. 97-467-C for its local exchange services. We approve this regulation.

Based on the verified testimony of Ms. Hoyle, we approve the Application as filed. We believe that the Company should be granted the right to furnish facilities-based local and exchange access services in areas served by BellSouth Telecommunications.

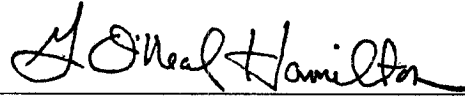
The Company shall continue to comply with all previous Orders of this Commission in the provisions of its services, including, but not limited to Order No. 2005-449.

The Commission concludes that the Company's local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for the Company's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels approved by the Commission. Further, the Company's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

If it has not already done so by the date of issuance of this Order, Matrix shall file its revised tariff and an accompanying price list for any applicable rates within thirty (30) days of receipt of this Order.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)